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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

JOINT INSPECTION UNIT

Accountability and oversight in the United Nations Secretariat

Note by the Secretary-General

The Secretary-General has the honour to submit to the General Assembly his comments on the report of the Joint Inspection Unit entitled "Accountability and oversight in the United Nations Secretariat" (JIU/REP/93/5-A/48/420, annex).

ANNEX

Comments of the Secretary-General

1. The Secretary-General notes that the report of the Joint Inspection Unit (JIU), entitled "Accountability and oversight in the United Nations Secretariat" (A/48/420, annex) has been prepared, at the initiative of the Inspectors, as an interim report pending completion of a report on accountability and oversight in the organizations of the United Nations system, which is included in the current work programme of JIU. The interim report, which covers the internal accountability and oversight processes of the United Nations Secretariat, has been prepared to assist the General Assembly in its review of the responses by the Secretary-General to a number of requests contained in General Assembly resolution 47/211 and decision 47/454, adopted on 23 December 1992 when the Assembly was dealing with the agenda item entitled "Financial reports and audited financial statements, and reports of the Board of Auditors", and Assembly resolution 47/214 of 23 December 1992, under which the Assembly, inter alia, requested the Secretary-General to report to the Assembly at its forty-eighth session on the establishment of a system of responsibility and accountability of programme managers of the United Nations.

2. The Secretary-General welcomes this initiative by the Inspectors.

3. The report presents an assessment of the present accountability and oversight situation, which covers separately the existing processes and mechanisms which affect the accountability and responsibility of programme managers, and the operation of four units which have been identified as the "main oversight units". That assessment provides the basis for two recommendations concerning the establishment of oversight mechanisms.

I. General comments

4. The General Assembly, by its decision 47/454, requested the Secretary-General to review the operation and effectiveness of the Management Advisory Service, the Central Evaluation Unit, the Central Monitoring Unit and the Internal Audit Division with a view to strengthening their efficiency. The premise for the Inspectors' review is that "the United Nations Secretariat has, until September 1993, had four main, separate, oversight units, as identified in General Assembly decision 47/454" (A/48/420, annex, para. 12). The Secretary-General would point out that, in the exercise of their oversight functions, the Under-Secretary-General for Administration and Management and the Controller have relied on a larger number of organizational units with broader oversight mandates including, in particular, the Financial Management and Control Division and the Programme Planning and Budget Division in OPPBF; the administration of justice programme within the Office of the Under Secretary-General for Administration and Management; and the Staff Administration and Training Division in OHRM.

5. In their description of the weaknesses of the Internal Audit Division, the Central Evaluation Unit, the Central Monitoring Unit and the Management Advisory Service, the Inspectors stress that, in all cases, inadequacy of staff resources

have hampered the work of those units (A/48/420, annex, para. 57). While the Secretary-General concurs in that finding, it must be pointed out that the policy of budgetary restraint, which has been strictly enforced over the past four biennia, as well as the post reduction exercise carried out as mandated by the General Assembly in resolution 41/213 of 19 December 1986, have had the effect, inter alia, of concentrating requests for new posts in substantive as opposed to administrative areas, and for new activities as opposed to continuing ones. In the case of the Internal Audit Division, which is rightly singled out by the Inspectors as in need of "urgent strengthening", the absence of significant growth under the regular budget has, however, been remedied to a certain extent by an increase in extrabudgetary resources.

6. With regard to the Central Evaluation Unit, the Inspectors essentially regret that the full potential of the evaluation process has not been properly utilized. It is the intention of the Secretary-General in the future to reflect the findings of evaluation studies more adequately in the planning and programme budgeting process. It is noted that the Committee on Programme Coordination (CPC), the main reviewing organ, when considering the in-depth evaluation reports, the progress reports and follow-up reports which the Central Evaluation Unit prepares each year, in accordance with the establishment of methodological guidance, have, in many instances, expressed their satisfaction with the quality and usefulness of the reports. In the course of this biennium, that was particularly the case for the progress reports on social development and UNRWA, the final report on UNHCR and the follow-up report on human rights.

7. Regarding the activities of the Central Monitoring Unit, the inadequacy of a quantitative approach in the preparation of the biennial performance report is stressed by the Inspectors. It has been repeatedly noted by reviewing bodies and has prompted some methodological changes, which should be reflected fully in the report on the performance during the 1992-1993 biennium. Nevertheless, the Secretary-General agrees with the Inspectors that, in order to become a meaningful exercise, monitoring should combine quantitative and qualitative analysis of programme performance and of any departure from programme commitments.

8. With regard to the activities of the Management Advisory Service (MAS), the Secretary-General notes that these activities have fallen short of stated objectives essentially for lack of adequate staff resources. At a time when the Secretariat has undergone extensive restructuring and the demand for MAS contributions has increased, sufficient resources were not made available to MAS to perform fully its stated functions. As a result, while MAS was able to provide managerial advice on many aspects of the restructuring, it produced few in-depth studies on the various components of the new organizational structure.

9. In part IV of the report, the Inspectors review a wide array of functions and mechanisms of the Secretariat which should add up to an integrated system of accountability and oversight but, in fact, in the view of the Inspectors, contribute very inadequately to the objective of improving management efficiency. The processes reviewed by the Inspectors include, inter alia, inspection and investigations, staff involvement in the fight against waste and corruption, the use of technological innovations, financial management control systems, management policies and practices, reporting, and means of enforcing personal accountability in the Secretariat. Weaknesses in those processes

prompted the General Assembly, in its resolutions 47/212 B of 6 May 1993 and 47/214, to request that the Secretary-General establish a transparent and effective system of accountability and responsibility. Most recently, the Committee on Programme and Coordination recommended that the system should be implemented as soon as possible, but no later than 1 January 1995.

10. The need for strong and prompt action on the part of the Secretariat is acknowledged. Given the long list of findings by the Inspectors, which touch upon practically all aspects of the administrative and financial functioning of the Secretariat, it is not the intention of the Secretary-General, in these comments, to address the very many points raised in the report. The Secretary-General wants to take this opportunity to state his commitment to the implementation of an effective integrated system of accountability and responsibility.

II. Comments on the recommendations

11. In parts VI and VII of their report, the Inspectors stress the advantages of a single consolidated oversight unit in the form of a United Nations Office of Accountability and Oversight. Two options for the establishment of such an Office are proposed. Taking into account the establishment on 1 September of the Office for Inspections and Investigations, the Inspectors, in their recommendation 1, support the recent initiative of the Secretary-General. The Secretary-General is naturally in full agreement with this recommendation. In line with the recommendation by the Inspectors in the context of their first option, the Secretary-General will propose to the General Assembly, in the context of a report to be submitted at its current session, that the Office be funded through the redeployment of the staff and other resources of the Internal Audit Division, the Central Evaluation Unit, the Central Monitoring Unit and the Management Advisory Service. It should be noted that, also in line with the first option presented in the report of the Joint Inspection Unit the Head of the Office is at the Assistant Secretary-General level and reports directly to the Secretary-General.

12. With regard to recommendation 2, as noted by the Inspectors, the appointment of the Assistant Secretary-General for Inspection and Investigations represents the first step towards the establishment of a higher-level post with broader audit, evaluation and investigation authority. The Secretary-General will be guided in his further actions in that regard by the experience gained from the operation of the Office for Inspections and Investigations and by any guidance which he will receive from the General Assembly. Two important considerations will be borne in mind. Firstly, the measures taken by the Secretariat cannot focus exclusively on the strengthening of an independent oversight mechanism. Considerable efforts and adequate resources are required at the same time for the integrated system of accountability and responsibility in the Secretariat. This requires, in particular, that the role and accountability of programme managers be more clearly defined and that the functions of the Department of Administration and Management be strengthened through a review of its procedures to ensure the responsibility and accountability of accounts of programme managers. Secondly, the plans for a broader authority for audit, evaluation and investigation must be carefully reviewed to avoid duplication with existing external oversight mechanisms, in

particular those provided by the Board of External Auditors and the Joint Inspection Unit itself. Taking those two considerations into account, the Secretary-General entertains some reservations on the assumption in the report of the Joint Inspection Unit that a very large oversight office, with an annual budget that could reach $60 million (A/48/420, annex, para. 60) and a staff of 220 to 800 might be required, although the Secretary-General supports the proposal that the resources of the oversight office must be sufficient for it to play a significant role in the efforts of the Secretary-General to increase the effectiveness and accountability of the Secretariat.

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Note by the Secretary-General

Corrigendum

1. Page 3, paragraph 6, eighth line

For "in accordance with the establishment of methodological guidance," read "in accordance with the established methodology,".

2. Page 4, paragraph 12, sixteenth line

Delete the words "of accounts".

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